



State of Washington  
**DEPARTMENT OF FISH AND WILDLIFE**

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Main Office Location: Natural Resources Building • 1111 Washington Street SE • Olympia, WA

August 17, 2011

Name  
Tribe Affiliation  
Address  
City, State Zip

Dear (Name):

As you know, the financial challenges the state has faced during this past biennium have been unprecedented. The reductions Washington Department of Fish and Wildlife (Department) incurred as we entered the 2009-2011 biennium were staggering; the final operating budget reduction for the Department totaled approximately \$39 million and identified up to seven hatchery closures (five trout and two salmon). A number of strategies, including public-private partnerships, sharing of staff resources, expanded collaboration and anticipated new revenue from new license fee programs contributed to our ability to maintain the operation of six of the originally identified seven facilities.

When we met with the Puget Sound tribes this past winter we shared the financial outlook for the Department given Washington State's economic condition at that time. We also shared some of the strategies the Department was actively pursuing with the Legislature to lessen the seemingly catastrophic effects we foresaw with additional budget reductions. The final 2011-2013 biennium reflects an overall reduction in state general fund to the Department of about \$11.8 million. Although, the Legislature provided some relief through the passage of several revenue enhancing measures, the anticipated revenues are unable to offset all the general fund reductions we incurred, plus cover some of our increasing operational costs.

Hatchery production provides fishing opportunities for both treaty Indian fishers and state fishers, but it is also a substantial component of the Department budget. Hatchery production and associated activities cost the Department approximately \$20 million per biennium in state funds. Although we value the contribution of our hatchery programs to providing fishing opportunities, reductions in expenditures for our hatcheries will be required in order to maintain

capacity for fish and wildlife population assessments, habitat protection and restoration, conservation planning, fishery management, and other core agency functions.

Similar to our approach in 2009 for hatchery production reductions, we plan to spread production reductions over multiple species and geographic regions. Considerations in identifying specific program reductions included:

- Have the tribes, state, or the Hatchery Scientific Review Group identified concerns about the risks a hatchery program may pose to wild salmon and steelhead populations?
- Do other Department, tribal, or federal hatchery facilities exist in the watershed or region that would help mitigate for the loss in production from a Department facility?
- How would a change in production affect fisheries?
- What is the efficiency (pounds produced per staff) and effectiveness of the program (percent survival from release to adult)?
- Have adult returns to the hatchery exceeded broodstock requirements?
- What legal obligations (contracts, court orders) are associated with production from the hatchery?

Consistent with applicable court orders, including the Puget Sound Salmon Management Plan (*U.S. v Washington* Docket No. 10180) and the Hood Canal Management Plan (*U.S. v Washington* Docket No. 10273), we are providing the tribes with the proposed reductions in our hatchery programs consistent with our 2011-2013 operating budget. Overall, we are proposing about a 4.7 percent reduction in the pounds of salmon and steelhead produced in the Boldt Case area. The current production (Department, tribal, and federal) and proposed percent reduction in pounds of salmon and steelhead produced is summarized in the table below. Additional details by facility and species are provided in the enclosure.

Table 1. Summary of 2011 proposed production reductions.

Area	Current Pounds of Salmon and Steelhead Produced 2009	Proposed Reduction 2010	Actual Reduction 2010	Current Pounds of Salmon and Steelhead Produced 2011	Proposed Reduction 2012	Comments GF – General Fund WF – Wildlife Fund
<b>Puget Sound</b>						
San Juan	13,541	0%	0%	13,541	0%	No GF or WL funding
Nooksack-Samish	262,814	10%	10%	236,533	0%	
Skagit	92,923	0%	0%	92,923	12%	
Stillaguamish - Snohomish	333,911	8%	8%	307,198	0%	
Mid Puget Sound	368,740	11%	*6%	346,616	4%	
South Puget Sound	680,274	14%	14%	585,036	9%	
Hood Canal	268,173	10%	**0%	268,173	0%	
Strait of Juan de Fuca	225,328	3%	3%	218,568	0%	
Sub-total	2,245,704	10%	8%	2,068,588	3.6%	
<b>North Washington Coast</b>						
North Coast	77,323	0%	0%	77,323	0%	No GF or WL funding
Quillayute	139,834	18%	18%	114,664	3%	
Hoh	8,300	0%	0%	8,300	0%	No GF or WL funding
Quinault	298,087	0%	0%	298,087	0%	
Grays Harbor	347,895	16%	16%	292,232	19%	
Sub-total	871,439	9%	9%	790,606	7.5%	
<b>Case Area</b>	3,117,143	10%	8%	2,859,194	4.7%	

\* 2010 Mid Puget Sound production reduction at Soos Creek not realized as MIT provided funding for the coho production

\*\* 2010 Hood Canal production reduction not realized as PSVOA provided funding for McKernan Hatchery

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The proposed reductions outlined on page 3 are based upon our current biennial budget. The near term revenue forecasts are expected to result in a bleaker outlook for the current biennium than originally anticipated when the 2011-2013 biennial budget was set. As a result, we believe it is highly likely the Department will suffer additional reductions in our general fund in the current biennium that may have additional repercussions on hatchery production and other Department activities.

We are prepared to discuss some of this at our upcoming state-tribal meetings. In addition, we are willing to engage in more detailed discussions as we prepare for further budget reductions. Please contact Jim Scott at (360) 902-2736 to schedule a time to discuss further.

The Department and the tribes share a common interest in conserving our fish and wildlife resources and providing sustainable harvest opportunities. We are committed to that end, but at no time has our economic future been so unstable. I look forward to our upcoming meetings so we can further discuss our budget status with you, consider solutions that may preserve our core functions in this difficult time, and explore options to resolving our unprecedented budget shortfall.

Sincerely,

Philip Anderson  
Director

cc: John Mankowski, Office of the Governor  
Chris Stanley, Office of Financial Management  
Pat Pattillo  
Jim Scott  
Heather Bartlett  
Ann Larson

Detailed summary of 2011 proposed salmon and steelhead reductions by facility.

Facility	Area	Species	Current program	Proposed Reduction number	Proposed Reduction pounds
Marblemount Hatchery	Skagit	Coho	380,000	190,000	11,176
Issaquah Hatchery	Mid-Puget Sound	Chinook	2,000,000	1,000,000	12,500
Coulter Creek Tumwater Falls	South Puget Sound	Chinook	3,800,000	2,800,000	35,000
Hupp Springs Hatchery	South Puget Sound	Chinook	700,000	700,000	15,675
Bogachiel Hatchery	Quillayute	Steelhead	200,000	20,000	3,333
Humptulips Hatchery	Grays Harbor	Chinook and Coho	500,000 and 970,000, respectively	500,000 and 730,000, respectively	55,810